

**THIBODAUX**  
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**L.L.C.**

**Certified Public Accountants**

**THE FAMILY TREE INFORMATION, EDUCATION  
AND COUNSELING CENTER, INC.**

**AUDITED FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**For the Years Ended December 31, 2009 and 2008**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/25/10

**935 Camellia Blvd. Suite 200  
Lafayette, Louisiana 70508**

# **THE FAMILY TREE INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

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**INDEPENDENT AUDITORS' REPORT**

The Officers and Directors  
The Family Tree Information, Education and  
Counseling Center, Inc.  
Lafayette, Louisiana

We have audited the accompanying statements of financial position of The Family Tree Information, Education and Counseling Center, Inc. (a non-profit organization) as of December 31, 2009 and 2008, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Family Tree Information, Education and Counseling Center, Inc. as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 25, 2010 on our consideration of The Family Tree Information, Education and Counseling Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

**INDEPENDENT AUDITORS' REPORT (Continued)**

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental schedules are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Richard J. Hebert Deshotel LeBlanc*

CERTIFIED PUBLIC ACCOUNTANTS

June 25, 2010

# THE FAMILY TREE INFORMATION, EDUCATION AND COUNSELING CENTER, INC.

## STATEMENTS OF FINANCIAL POSITION December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Assets:		
Cash	\$304,688	\$466,989
Accounts receivable		
Grants and contracts	65,920	58,151
Trade	3,807	2,273
Other	560	3,398
Investments, at fair market value	35,790	25,960
Prepaid expenses	13,302	11,560
Certificates of deposit - unrestricted	32,916	31,879
Certificates of deposit - restricted	-	99,998
Property and equipment, net	77,164	94,908
Deposits	<u>8,878</u>	<u>7,280</u>
Total assets	<u><u>\$543,025</u></u>	<u><u>\$802,396</u></u>
Liabilities and net assets:		
Accounts payable	\$17,560	\$10,611
Accrued salaries	28,367	30,828
Interest payable	-	4,033
Long-term debt, current portion	-	99,985
Total liabilities	<u>45,927</u>	<u>145,457</u>
Net assets:		
Unrestricted	496,098	644,249
Restricted	<u>1,000</u>	<u>12,690</u>
Total net assets	<u>497,098</u>	<u>656,939</u>
Total liabilities and net assets	<u><u>\$543,025</u></u>	<u><u>\$802,396</u></u>

*The accompanying notes are an integral part of these financial statements.*

# THE FAMILY TREE INFORMATION, EDUCATION AND COUNSELING CENTER, INC.

## STATEMENTS OF ACTIVITIES For the Years Ended December 31, 2009 and 2008

	2009		
	Unrestricted	Temporarily Restricted	Total
Revenues, gains and other support:			
Grants and contracts			
American Red Cross	\$ -	\$ -	\$ -
Health Resources Services Administration			
Healthy Start Initiative	567,725	-	567,725
Office of Community Services			
Children's Trust Fund	55,030	-	55,030
Office of Public Health			
Fetal Infant Mortality Review	57,606	-	57,606
Infant Mental Health	35,941	-	35,941
Tulane University			
Quality Rating Service	284,510	-	284,510
United Way			
Annual allocation	79,569	-	79,569
Recovery Counseling and Outreach	19,785	-	19,785
Other grants and contracts	10,000	-	10,000
Counseling revenue	118,501	-	118,501
Public support donations	21,630	1,000	22,630
Fundraising	25,999	-	25,999
Program revenue	32,561	-	32,561
In-kind donations	-	-	-
Investment income (loss)	10,566	-	10,566
Other revenue	1,483	-	1,483
Total revenues, gains and other support	<u>1,320,906</u>	<u>1,000</u>	<u>1,321,906</u>
Expenses and losses:			
Program services	1,268,433	-	1,268,433
Fundraising	11,391	-	11,391
Administrative and general	201,923	-	201,923
Total expenses and losses	<u>1,481,747</u>	<u>-</u>	<u>1,481,747</u>
Increase in net assets	(160,841)	1,000	(159,841)
Net assets at beginning of year	<u>656,939</u>	<u>-</u>	<u>656,939</u>
Net assets at end of year	<u>\$496,098</u>	<u>\$1,000</u>	<u>\$497,098</u>

	2008		
	Unrestricted	Temporarily Restricted	Total
Revenues, gains and other support:			
Grants and contracts			
American Red Cross	\$390,617	\$ -	\$390,617
Health Resources Services Administration			
Healthy Start Initiative	510,867	-	510,867
Office of Community Services			
Children's Trust Fund	51,272	-	51,272
Office of Public Health			
Fetal Infant Mortality Review	62,515	-	62,515
Infant Mental Health	48,698	-	48,698
Tulane University			
Quality Rating Service	330,041	-	330,041
United Way			
Annual allocation	132,717	-	132,717
Recovery Counseling and Outreach	19,785	-	19,785
Other grants and contracts	6,000	-	6,000
Counseling revenue	172,199	-	172,199
Public support donations	5,513	12,690	18,203
Fundraising	26,727	-	26,727
Program revenue	32,816	-	32,816
In-kind donations	127,260	-	127,260
Investment income (loss)	(8,013)	-	(8,013)
Other revenue	847	-	847
Total revenues, gains and other support	<u>1,909,861</u>	<u>12,690</u>	<u>1,922,551</u>
Expenses and losses:			
Program services	1,341,690	-	1,341,690
Fundraising	28,410	-	28,410
Administrative and general	244,155	-	244,155
Total expenses and losses	<u>1,614,255</u>	<u>-</u>	<u>1,614,255</u>
Increase in net assets	295,606	12,690	308,296
Net assets at beginning of year	<u>348,643</u>	<u>-</u>	<u>348,643</u>
Net assets at end of year	<u>\$644,249</u>	<u>\$12,690</u>	<u>\$656,939</u>

*The accompanying notes are an integral part of these financial statements.*

# THE FAMILY TREE INFORMATION, EDUCATION AND COUNSELING CENTER, INC.

## STATEMENTS OF FUNCTIONAL EXPENSES For the Years Ended December 31, 2009 and 2008

	2009			
	<u>Program Services</u>	<u>Fund Raising</u>	<u>Administrative and General</u>	<u>Total</u>
Advertising and marketing	\$ -	\$ -	\$835	\$835
Bank charges	-	-	-	-
Conferences and meetings	18,841	-	354	19,195
Consultants	21,295	-	1,112	22,407
Default cost	16,581	-	-	16,581
Depreciation	21,782	-	8,261	30,043
Fundraising expense	-	11,391	-	11,391
In-kind donations	-	-	-	-
Insurance and benefits	68,957	-	15,256	84,213
Interest	1,656	-	184	1,840
Library	-	-	-	-
Maintenance	11,481	-	7,422	18,903
Membership dues	1,313	-	5,595	6,908
Miscellaneous	5,004	-	10,412	15,416
Newsletters and printing	1,713	-	1,417	3,130
Office supplies	9,888	-	1,290	11,178
Payroll taxes	59,971	-	8,274	68,245
Postage	2,443	-	1,311	3,754
Professional fees	89,949	-	25,897	115,846
Program supplies	48,842	-	534	49,376
Rent	61,823	-	-	61,823
Salaries and pension	754,292	-	103,349	857,641
Staff mileage	39,401	-	59	39,460
Telephone	12,733	-	9,769	22,502
Transportation	15,141	-	-	15,141
Utilities	5,327	-	592	5,919
Total expenses	<u>\$1,268,433</u>	<u>\$11,391</u>	<u>\$201,923</u>	<u>\$1,481,747</u>



	2008			
	<u>Program Services</u>	<u>Fund Raising</u>	<u>Administrative and General</u>	<u>Total</u>
Advertising and marketing	\$ -	\$ -	\$721	\$721
Bank charges	31	-	4	35
Conferences and meetings	11,690	-	2,519	14,209
Consultants	33,466	-	6,367	39,833
Default cost	21,947	-	-	21,947
Depreciation	16,695	-	9,422	26,117
Fundraising expense	-	28,410	-	28,410
In-kind donations	114,768	-	12,752	127,520
Insurance and benefits	67,111	-	24,230	91,341
Interest	14,440	-	1,604	16,044
Library	28	-	235	263
Maintenance	7,451	-	20,400	27,851
Membership dues	1,808	-	5,321	7,129
Miscellaneous	3,378	-	12,257	15,635
Newsletters and printing	3,189	-	2,860	6,049
Office supplies	7,463	-	1,258	8,721
Payroll taxes	63,860	-	8,834	72,694
Postage	2,871	-	1,510	4,381
Professional fees	58,568	-	26,625	85,193
Program supplies	39,780	-	-	39,780
Rent	18,384	-	-	18,384
Salaries and pension	805,123	-	95,209	900,332
Staff mileage	33,912	-	4,509	38,421
Telephone	10,056	-	7,344	17,400
Transportation	4,113	-	-	4,113
Utilities	1,558	-	174	1,732
Total expenses	<u>\$1,341,690</u>	<u>\$28,410</u>	<u>\$244,155</u>	<u>\$1,614,255</u>

*The accompanying notes are an integral part of these financial statements.*

# THE FAMILY TREE INFORMATION, EDUCATION AND COUNSELING CENTER, INC.

## STATEMENTS OF CASH FLOWS For the Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Change in net assets	(\$159,841)	\$308,296
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	30,043	26,117
Net realized and unrealized gain on investments	(9,481)	16,824
Changes in assets and liabilities:		
Accounts receivable	(6,465)	27,027
Prepaid expenses	(1,742)	(2,858)
Deposits	(1,598)	(6,680)
Accounts payable	6,949	(6,196)
Accrued salaries	(2,461)	6,182
Interest payable	(4,033)	-
Net cash provided by (used in) operating activities	<u>(148,629)</u>	<u>368,712</u>
Cash flows from investing activities:		
Purchase of investments	(349)	(678)
Proceeds from sale of certificates of deposit	98,961	298,868
Purchase of property and equipment	(12,299)	(47,917)
Net cash provided by investing activities	<u>86,313</u>	<u>250,273</u>
Cash flows from financing activities:		
Repayment of debt	(99,985)	(300,015)
Net increase in cash	(162,301)	318,970
Cash at beginning of year	<u>466,989</u>	<u>148,019</u>
Cash at end of year	<u><u>\$304,688</u></u>	<u><u>\$466,989</u></u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for:		
Interest	<u>\$5,873</u>	<u>\$16,044</u>

*The accompanying notes are an integral part of these financial statements.*

# THE FAMILY TREE INFORMATION, EDUCATION AND COUNSELING CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1: ORGANIZATION

The Family Tree Information, Education and Counseling Center, Inc., a nonprofit corporation, was established in 1979 to support, strengthen, and enlighten family life. The Center focuses on providing support through educational programs and counseling services. The Center's services are available to residents of Lafayette, Vermilion, St. Landry, St. Mary, St. Martin, Iberia, Acadia and Evangeline parishes.

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Method of Accounting

Assets and liabilities, and revenues and expenses, are recognized on the accrual basis of accounting.

#### Property and Equipment

Property and equipment are stated at cost. Expenditures for property and equipment and items which substantially increase the useful lives of existing assets are capitalized at cost and depreciated. Routine expenditures for repairs and maintenance are expensed as incurred. The cost and related accumulated depreciation of property and equipment disposed of are eliminated from the accounts, and any resulting gain or loss is recognized.

Depreciation is provided utilizing the straight-line method. Depreciation expense amounted to \$30,043 and \$26,117 for the years ended December 31, 2009 and 2008, respectively.

#### Cash Flows

For purposes of the statement of cash flows, the Center considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### Accounts Receivable

The Center considers accounts receivable to be fully collectible; accordingly no allowance for doubtful accounts is required. Trade credit is generally extended on a short-term basis; thus receivables do not bear interest. Trade accounts receivable are periodically evaluated for collectibility, and are charged against fees allowance when they are deemed uncollectible.

# THE FAMILY TREE INFORMATION, EDUCATION AND COUNSELING CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Advertising

Advertising costs, except for costs associated with direct-response advertising, are charged to operations when incurred. The costs of direct-response advertising are capitalized and amortized over the period during which future benefits are expected to be received. Advertising expense charged to member services amounted to \$835 and \$721 for the years ending December 31, 2009 and 2008, respectively.

#### Income Taxes

The Center is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

#### Donor-Restricted Funds

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases these asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Center reports the support as unrestricted.

Contributed property and equipment is recorded at fair value at the date of donation. In the absence of donor-imposed stipulations regarding how long the contributed assets must be used, the organization has adopted a policy of implying a time restriction on contributions of such assets that expires over the assets' useful lives; consequently, contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as unrestricted support.

#### Credit Risk

Financial instruments that potentially subject the Center to credit risk include cash and certificates of deposit. Cash and certificates of deposit are secured by the FDIC up to \$250,000 per institution. Additionally, the institutions are participating in the temporary liquidity guarantee program sponsored by the (FDIC) which fully insures non-interest bearing checking accounts. At December 31, 2009, the Center exceeded the insured limit by approximately \$94,721.

#### Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditors' Report which is the date the Financial Statements were available to be issued.

# THE FAMILY TREE INFORMATION, EDUCATION AND COUNSELING CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3: DONATED SERVICES AND FACILITIES

The Center occupied a building at 605 West St. Mary Boulevard under an agreement with Our Lady of Lourdes Regional Medical Center during 2008. No rent or utilities were paid by the Center during that period. The Landlord has estimated the approximate fair value of the annual rental to be \$84,570 and the fair value of the utilities and other services to be \$26,000 for the year ended December 31, 2008. Also, the Center received donated services from a local bank associated with the Ways to Work program with an approximate fair value estimated to be \$9,600. Near the end of 2008, the Center moved into a new facility at 4540 Ambassador Caffery Pkwy. Woman's Foundation donated the use of their facilities and services through the remainder of 2008 which amounted to \$7,350. These amounts have been recorded as in-kind donations and expenses on the statement of activities for the year ended December 31, 2008. There were no in-kind donations received for the year ended December 31, 2009.

### NOTE 4: PROPERTY AND EQUIPMENT

At December 31, 2009 and 2008, property and equipment and the related accumulated depreciation consist of the following:

	<u>2009</u>	<u>2008</u>
Office furniture and equipment	\$194,267	\$194,267
Leasehold improvements	<u>85,757</u>	<u>73,458</u>
	280,024	267,725
Less: accumulated depreciation	<u>202,860</u>	<u>172,817</u>
Property and equipment, net	<u>\$77,164</u>	<u>\$94,908</u>

### NOTE 5: SHORT-TERM DEBT

The following is a summary of short-term debt at December 31, 2009 and 2008.

	<u>2009</u>	<u>2008</u>
Ways to Work, Inc., \$400,000 note dated March 21, 2007, due May 29, 2009, interest only payments until May 29, 2009, interest rate 4.00%, secured by certificate of deposit	<u>\$ -</u>	<u>\$99,985</u>
Short-term debt	<u>\$ -</u>	<u>\$99,985</u>

# THE FAMILY TREE INFORMATION, EDUCATION AND COUNSELING CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6: INVESTMENTS

Investments are comprised of equity funds and are recorded at fair value. Investments as of December 31, 2009 and 2008 are summarized as follows:

	<u>2009</u>	<u>2008</u>
Equity funds	<u>\$35,790</u>	<u>\$25,960</u>

For the years ended December 31, 2009 and 2008, net realized and unrealized gains(losses) on unrestricted investments were \$9,481 and (\$16,824), respectively.

The Center maintains investments at one institution. Balances are insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000. At December 31, 2009, the Center's investments were fully insured by the SIPC.

### NOTE 7: COUNSELING REVENUE

Counseling revenues are shown net of fees allowance. Fees allowance is computed with a sliding fee scale that adjusts counseling fees according to each patient's household income.

	<u>2009</u>	<u>2008</u>
Counseling fees, gross	\$317,607	\$349,228
Less: Fees allowance	<u>199,106</u>	<u>177,029</u>
Counseling revenues, net	<u>\$118,501</u>	<u>\$172,199</u>

### NOTE 8: WAYS TO WORK PROGRAM

As of December 31, 2007, the Center has borrowed \$400,000 from Ways to Work, Inc., an affiliate of Alliance for Children and Families, to fund the collateral pool for the Ways to Work Program and is restricted. As of December 31, 2009, the loan was fully repaid. The purpose of this program is to qualify parents for modest loans to enable an automobile purchase or repair. The Center has partnered with a local bank and various local charities have donated cash and services to fund operations of the program. A main expense of this program is loan default which amounted to \$16,581 and \$21,947 for the years ended December 31, 2009 and 2008, respectively. The Center is contingently liable for outstanding loans which amounted to \$104,535 and \$87,843, as of December 31, 2009 and 2008, respectively. The amount of future loan default is unknown.

# THE FAMILY TREE INFORMATION, EDUCATION AND COUNSELING CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9: OPERATING LEASES

The Center leases office space in a medical office building. Minimum future rental payments under a lease agreement having a remaining term in excess of one year as of December 31, 2009 and for each of the next five years and in the aggregate are as follows:

<u>Year Ended December 31</u>	<u>Minimum Rental Payments</u>
2010	\$12,280
2011	7,087
2012	-
2013	-
Thereafter	-
Total	<u>\$19,367</u>

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENTAL AUDITING STANDARDS**

The Officers and Directors  
The Family Tree Information, Education and  
Counseling Center, Inc.  
Lafayette, Louisiana

We have audited the financial statements of The Family Tree Information, Education and Counseling Center, Inc. as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated June 25, 2010. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audits, we considered The Family Tree Information, Education and Counseling Center, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENTAL AUDITING STANDARDS (Continued)**

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether The Family Tree Information, Education and Counseling Center, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of the board of directors, management, and awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Michodanff Hebert Desjardins LeBlanc*

CERTIFIED PUBLIC ACCOUNTANTS

June 25, 2010

**THIBODAUX**  
**HEBERT**  
**DESHOTELS**  
**LEBLANC**  
**L.L.C.**

*Certified Public Accountants*

Jack B. Thibodaux, Jr.  
 Alan D. Hebert  
 Phillip P. LeBlanc\*  
 Howard C. Schoeffler\*  
 Wayne B. Hall  
 John P. Briley\*

\* A Professional Corporation

Norbert A. Deshotels (Retired)

Toby J. Blanchard  
 Kelli M. Broussard  
 Robert J. Durel  
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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO**  
**EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER**  
**COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Officers and Directors  
 The Family Tree Information, Education and  
 Counseling Center, Inc.  
 Lafayette, Louisiana

**Compliance**

We have audited the compliance of The Family Tree Information, Education and Counseling Center, Inc. with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. The Family Tree Information, Education and Counseling Center, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of The Family Tree Information, Education and Counseling Center, Inc.'s management. Our responsibility is to express an opinion on The Family Tree Information, Education and Counseling Center, Inc.'s compliance based on our audits.

We conducted our audits of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audits to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The Family Tree Information, Education and Counseling Center, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinion. Our audits do not provide a legal determination of The Family Tree Information, Education and Counseling Center, Inc.'s compliance with those requirements.

In our opinion, The Family Tree Information, Education and Counseling Center, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133 (Continued)**

**Internal Control Over Compliance**

Management of The Family Tree Information, Education and Counseling Center, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audits, we considered The Family Tree Information, Education and Counseling Center, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The Family Tree Information, Education and Counseling Center, Inc.'s internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the board of directors, management and awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Michodany Helbert Deshotel LeBlanc*

CERTIFIED PUBLIC ACCOUNTANTS

June 25, 2010

# THE FAMILY TREE INFORMATION, EDUCATION AND COUNSELING CENTER, INC.

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended December 31, 2009

	<b>Federal CFDA Number</b>	<b><u>Expenditures</u></b>
<b><u>FEDERAL GRANTOR</u></b>		
U.S. Department of Health and Human Services		
Direct programs:		
Healthy Start Initiative	93.926	\$600,123
Indirect programs:		
Quality Rating Service - Anchors/ Assessors	93.575	\$149,455
Quality Rating Service - Mental Health Consultants	93.596	<u>\$134,313</u>
<b>TOTAL FEDERAL EXPENDITURES</b>		<u><u>\$883,891</u></u>

### **BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of The Family Tree Information, Education and Counseling Center, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

# THE FAMILY TREE INFORMATION, EDUCATION AND COUNSELING CENTER, INC.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2009

### Section I-Summary of Auditor's Results

#### **Financial Statements**

Type of Auditors report issued: Unqualified

Internal control over financial reporting:

*Material weakness(es) identified?	_____ yes	_____ <u>X</u> _____ no
*Reportable condition(s) identified that are not considered to be material weakness(es)?	_____ yes	_____ <u>X</u> _____ none reported
Noncompliance material to financial statements noted?	_____ yes	_____ <u>X</u> _____ no

#### **Federal Awards**

Internal control over major programs:

*Material weakness(es) identified?	_____ yes	_____ <u>X</u> _____ no
*Reportable condition(s) identified that are not considered to be material weakness(es)?	_____ yes	_____ <u>X</u> _____ none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	_____ yes	_____ <u>X</u> _____ no
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**THE FAMILY TREE INFORMATION, EDUCATION  
AND COUNSELING CENTER, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2009**

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**Section I-Summary of Auditor's Results (Continued)**

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**Major Programs**

**CFDA Number**

93.926

**Name of Federal Program**

Healthy Start Initiative

Dollar threshold used to distinguish  
between type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

  X   yes

       no

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**Section II-Findings-Financial Statements Audit**

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None

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**Section III-Findings and Questioned Costs-Major Federal Award Programs Audit**

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None